



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Lease Agreement for Purchase of Turf Mower for Parks Division

MEETING DATE: May 3, 2000

PREPARED BY: Parks and Recreation Director

RECOMMENDED ACTION: That City Council adopt the attached resolution authorizing the City Manager to enter into an agreement with Farmers and Merchants Bank for the lease-purchase of one (1) turf mower.

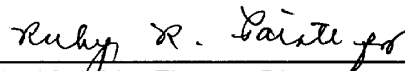
BACKGROUND INFORMATION: The lease-purchase of a mower to replace a 1995 Toro 580D mower was approved in the 1999-2001 Budget and has been through the Fleet Committee.

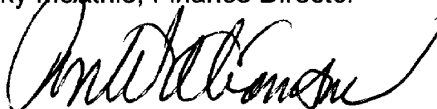
The purchase will be made under a rider to a contract between the City of San Jose and H.V. Carter Co., Inc. Contract provisions allow all government agencies to "piggyback" to take advantage of the favorable pricing. Lodi City Code, Section 3.20.070 allows for the purchase of equipment, supplies, and services when the method of purchase is determined by the City Council to be in the best interest of the City.

The City solicited competitive proposals for the lease-purchase financing of this equipment. Farmers & Merchants Bank of Lodi was the only lender responding prior to the April 3, 2000 proposal due date, offering a four-year financing package at a 6.75% rate of interest. Other respondents were TransOcean Funding, Burlingame, whose proposal was received on April 10 (too late to be considered), and California Communities Municipal Finance, Walnut Creek, whose response was that the loan amount was too small for them to submit a proposal.

Although Farmers & Merchants was the sole responsive bidder, staff recommends approval of the lease since the 6.75% rate is well below the current 9.00% Prime Rate, the interest rate banks charge their most creditworthy customers. The four-year lease amount is \$51,150.00 with a total cost of \$59,027.18. Lease payments will be made annually, due on March 1st of each year, beginning March 1, 2001.

FUNDING: Vehicle Replacement Fund
Funding available:


Vicky McWhie, Finance Director


Ron Williamson
Parks and Recreation Director

cc: City Attorney
Purchasing Agent
Fleet Manager

APPROVED: _____


H. Dixon Flynn -- City Manager

04/26/00

RESOLUTION NO. 2000-68

A RESOLUTION OF THE LODI CITY COUNCIL
APPROVING THE PURCHASE OF ONE JACOBSEN
HR9016 ROTARY TURF MOWER FOR PARKS DIVISION

WHEREAS, Lodi Municipal Code, §3.20.070, authorizes dispensing with bids for purchases of supplies, services or equipment when it is in the best interest of the City to do so; and

WHEREAS, the Purchase of One (1) Jacobsen HR9016 Rotary Turf Mower to replace the existing 1995 Toro 580D mower was approved in the 1999-2001 Budget and has been processed through the Fleet Committee; and

WHEREAS, staff solicited competitive proposals for the Purchase financing of this equipment, and Farmers & Merchants Bank of Lodi was the only lender who responded by the April 3, 2000 deadline; and

WHEREAS, staff recommended Lease-Purchase financing through Farmers & Merchants Bank at an interest rate of 6.75%, piggybacking on a contract between the City of San Jose and H.V. Carter Co., Inc.; and

WHEREAS, the City Council after much discussion, decided it was in the best interest of the City to purchase the mower outright, through the contract between the City of San Jose and H.V. Carter Co., Inc.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council hereby approves the Purchase of one (1) Jacobsen HR9016 Rotary Turf Mower, piggybacking on the contract between the City of San Jose and H. V. Carter Co., Inc., in the amount of \$59,027.18.

Dated: May 3, 2000

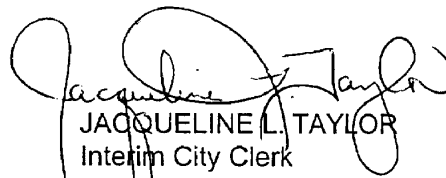
I hereby certify that Resolution No. 2000-68 was passed and adopted by the City Council of the City of Lodi in a regular meeting held May 3, 2000, by the following vote:

AYES: COUNCIL MEMBERS – Hitchcock, Nakanishi, Pennino
and Mann (Mayor)

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – Land


JACQUELINE L. TAYLOR
Interim City Clerk

2000-68